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TLE1 20814 280026 3DG
*C 9201 ERK EDT
JEANNE LONG
ACQ EDITOR
CONGRESSIONAL INFORMATION SV
4520 EAST WEST HY 800
BETHESDA MD 20814

'Packaging' By OEMs Draws Fire

OEM "packaging" – the tendency of RV makers to turn customer-pleasing accessories into standard features – is a marketing evolution that has become a revolutionary one in the past two years, driven by competitive, high-volume sales efforts.

Packaging programs have focused on including name-brand awnings, air conditioners and TV antennas as free or low-cost standard features in units. An array of other supplier products – from stereos to power jacks and free-standing chairs – also have been used to entice buyers.

For the consumer, especially the buyer of low-end units, the result is bottom-dollar pricing and less buyer confusion. However, the impact on RV manufacturers, suppliers and dealers is still being debated.

A number of corporate executives openly criticize the negative side effects of packaging: low profit margins, lost aftermarket sales and "generic" product marketing that undermines brand-name recognition.

Others argue that, in the current tough market, no legitimate means of closing a sale should be overlooked. "I just want manufacturers to do whatever they can to sell those RV units," summed up Tad Donnelly, president of Camping World Inc., Bowling Green, Ky., a large RV-accessory retailer that stands to lose an aftermarket sale every time a manufacturer packages a component. "If we get them out on the road, Camping World gets its fair shot at them."

Many RV distributors, whose livelihood depends on a thriving aftermarket for parts and ac-

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THE RV POWER TRIP: The growing array of electricity-hungry amenities in today's RVs is sparking technological improvement and innovation to meet the increased power demand – resulting in new products that range from smaller but more-powerful inverters to sophisticated multiplex control systems. See page 20.

Over 450 Van-Upfit Firms Meet NHTSA, Automakers on Seating

At a special two-day session, April 8-9, in South Bend, Ind., more than 450 van-conversion makers and suppliers met with representatives of Detroit's Big Three automakers, officials of the National Highway Traffic Safety Administration (NHTSA) and the RVIA leadership to study RV industry compliance with Federal Motor Vehicle Safety Standard (FMVSS) 208 affecting front outboard seating safety and testing.

Officials of RVIA, which hosted the meeting, characterized the session as "enlightening and encouraging" for van converters. At issue was compliance with FMVSS 208 safety standards for the construction and placement of the front outboard seating positions in vans, light trucks and multipurpose vehicles with gross vehicle weight ratings of 8,500 pounds or less and unloaded weights of 5,500 pounds or less. The deadline for compliance with the 208 standard is Sept. 1, 1991, and crash testing of seating systems is required to certify that all of the NHTSA requirements have

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Consumer demand for more and more electricity-hungry amenities is powering technological improvement and innovation in a range of electrical products—including inverters, converters, isolators, solar cells, wiring and controls.

Developing Political Clout ____ 29

This brief how-to guide is aimed at helping RV dealers develop enough political muscle to defend their interests in the numerous RV-related legal and regulatory battles taking place today at the local and state levels.

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VAN CONVERTERS

Texas Is Top Destination for Conversion Shipments

Van-conversion companies may want to abandon well-stocked Midwest markets and do more prospecting deep in the heart of Texas, especially since 1990 year-end shipments data from RVIA, Reston, Va., shows Texas car dealers ordered more van conversions (a total of almost 17,200) than the car dealers in any other state.

Texas replaced Ohio as the No. 1 destination for van-conversion shipments last year. Ohio was the No. 1 conversion-buying state in 1989 and 1988. But in 1990, Ohio, where car dealers ordered a little more than 14,500 van conversions in that year, slipped to tie for third place with Illinois. Ohio and Illinois ended up behind California, which held the No. 2 spot, receiving almost 15,700 van conversions last year.

Michigan and Illinois were the second- and third-largest van conversion-buying states, respectively, in 1989 and 1988, but Illinois fell to third place last year, and Michigan dropped to fourth, with nearly 11,500 units.

Roy T. Boyd Jr., chairman of Mark III Industries Inc., Ocala, Fla., the nation's largest-volume van converter, thinks one explanation for these shifts is that northern Indiana van-conversion manufacturers have filled the pipeline at auto dealers in the three big Midwestern states. "Ohio has been a dumping ground for all those Indiana converters," Boyd said. "Maybe it's reached a saturation point."

Boyd continued, "I don't think Texas is a fluke. Texas went into recession first, so car dealers cut back there earlier because the van conversion is a secondary product. Now maybe the oil business is pulling Texas out of recession."

At Glaval Inc., Elkhart, Ind., Vice President of Sales Kevin Slater said: "There might be some overstuffed baskets in the Midwest in terms of dealer inventory. But dealer inventories (in the Midwest) are coming back in line since retail has improved following the liberation of Kuwait."

However, Mike Mishler, president of Tiara Motor Coach Inc., Nappanee, Ind., and Greg Hardin, vice president of sales, Starcraft Automotive Corp., Goshen, Ind., do not believe any real regional shift in van-conversion demand has occurred. "Our Texas business is decent, but our major business still is Ohio, Michigan and Illinois," Mishler said.

"I've seen a huge increase in our Texas sales (during February and March), but the Midwest states haven't reached saturation," Hardin added. Δ—*Jeff Kurowski*

REGIONAL VAN-CONVERSION DATA

Top Five Van-Conversion Shipments Destination States*

	1990	1989
Texas	17,200	12,900
California	15,700	13,050
Ohio	14,500	19,700
Illinois	14,500	13,800
Michigan	11,500	15,100

Top Six Van-Conversion Production States*

	1990	1989
Indiana	71,300	84,300
Florida	36,050	39,900
Texas	10,450	9,100
Michigan	7,800	8,000
Georgia	7,600	13,700
California	7,050	11,900

*Data from RVIA

DEALERS

New Calif. RV Mall Seeks Spring '92 Opening

A new RV-sales mall in Camarillo, Calif., is expected to soon gain city approval so that construction could begin by this summer, according to Frank Bryant of Villelli Enterprises Inc., the developer of the existing 22-acre, 13-dealer American RV Expo mall in Colton, Calif.

The "American RV Sales Mall" in Camarillo will cover 30 acres, including 500,000 square feet of sales lots, 60,000 square feet of service buildings and a 30,000-square-foot aftermarket retail store, said Bryant. There will also be a vacation-planning center and a storage facility. Δ—*Kim Hutton*

SUPPLIERS

Latest Sound-System Technology Is Hot Trend

One of the hottest new items in stereo sound systems is digital audio processing, which can provide concert-hall type sound in the confines of a tow vehicle or RV.

Yamaha Electronics Products, Buena Park, Calif., introduced the first home units a few years ago, called DSP-1 (digital signal processing). Then, last year, Eclipse Car Audio, Torrance, Calif., introduced the first automotive units.

In 1991, Sony Corp. of America, Park Ridge, N.J.; Rockford Fosgate, Tempe, Ariz.; JVC Co. of America, Elmwood Park, N.J.; Pioneer Electronics USA Inc., Long Beach, Calif.; Clarion Sales Corp., Gardena, Calif.; and other aftermarket firms introduced their own units at the recent Consumer Electronics Show in Las Vegas, Nev.

Digital audio processing simulates the kind of reverberations that sound makes in a large space, like a concert hall, where sound can bounce off walls, ceilings and floors. "It is the reflected sound that cues the brain that you're in a bigger space than you actually are when traveling in a motor vehicle," explained Michael Williams, manager of audio systems marketing for Delco Electronics Corp., Kokomo, Ind., which is developing a highly sophisticated system that it plans to introduce in a few years.

The move by Delco, a subsidiary of General Motors Corp., Detroit, Mich., to offer the new sound-system in Detroit products is paralleled by efforts at Chrysler Corp.'s Acustar Inc. subsidiary, Troy, Mich., which is similarly researching digital processing in conjunction with Philips Electronics Corp., according to an Acustar spokesman.

Meanwhile, Ford Motor Co., Dearborn, Mich., has already displayed a less sophisticated version called Digital Signal Processing (DSP) in its Lincoln Continental CCV, a concept vehicle. Officials haven't begun marketing the system but said that they plan to do so.

A system like Ford's DSP allows the vehicle's stereo to simulate, at the push of a button, a live performance as it would sound inside an opera house or sports stadium, according to Don Duncan, manager of planning, marketing and business development for Ford Audio Systems and Driver Information, a unit of its Electronics Division. He said DSP will be to today's sound systems what stereo was to mono: "It actually adds another dimension."

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